DIVISION OF HEALTH CARE FINANCING

1 WEST WILSON STREET
P O BOX 309
MADISON WI 53701-0309

Telephone: 608-266-8922
FAX: 608-266-1096
TTY: 608-261-7798
www.dhfs.state.wi.us

Scott McCallum
Governor

Phyllis J. Dubé
Secretary

State of Wisconsin

Department of Health and Family Services

Attention: Hospital Administrator

Wisconsin Medicaid will begin processing held Medicare outpatient crossover claims in June 2001

Due to the new *Medicare* Outpatient Prospective Payment System (OPPS), Wisconsin Medicaid was required to make computer system modifications to process Medicare crossover claims for Medicare coinsurance and deductible on outpatient hospital services. Prior to completion of system modifications, Wisconsin Medicaid suspended the processing of both electronic and paper outpatient crossover claims effective for dates of service on and after August 1, 2000, to ensure proper processing of these claims.

Wisconsin Medicaid's system modifications were completed in May 2001 and weekly processing of newly received crossover claims has resumed. In June 2001, Wisconsin Medicaid will begin processing the held electronic and paper Medicare outpatient crossover claims. Wisconsin Medicaid will continue to process these claims in the order they were received, beginning with August 2000 claims.

Wisconsin Medicaid has issued manual partial payments for the held electronic claims

Since January 2001, Wisconsin Medicaid has issued manual partial payments for the held electronic claims. Starting June 8, 2001, as the held crossover claims are processed, the partial payments will be recouped at 100% from weekly claim payments until the entire amount is repaid. Recoupment of manual partial payments is in accordance with HFS 106.04(1m)(d), Wis. Admin. Code.

Wisconsin Medicaid reimbursement calculation for Medicare coinsurance and deductible

Wisconsin Medicaid reimburses Medicare coinsurance on crossover claims according to s. 49.46 Wis. Stats. Under OPPS, Medicare coinsurance is no longer a flat 20% of the allowed amount. Rather, Medicare coinsurance is based on OPPS rules and a national standard average coinsurance. Medicare determines a total coinsurance amount for each claim under OPPS rules. Wisconsin Medicaid prorates the total coinsurance across all allowed claim details or services. Wisconsin Medicaid then pays the lesser of the Medicare coinsurance amount allocated to each claim detail or the Medicaid outpatient hospital specific rate per visit. Medicaid pays the Medicare deductible in full.

Please refer to the other side of this letter for an example.

Total claim data

Provider's total charge	Medicare's total allowed amount	Medicare's total coinsurance	Coinsurance percentage*
$496.00	$496.00	$124.00	25%

Claim detail data

Detail number	Provider's charge	Medicare's allowed amount	Coinsurance amount allocated to each claim detail (25%)	Medicaid rate-per-visit (example)	Medicaid's allowed amount
1	$100.00	$100.00	$25.00	$95.00	$25.00
2	$396.00	$396.00	$99.00	$95.00	$95.00**
Wisconsin Medicaid's total allowed amount for Medicare coinsurance					$124.00

 * This percentage is not a flat rate. The percentage of coinsurance will vary based on Outpatient Prospective Payment System changes.

** Wisconsin Medicaid pays this amount because it is the lesser of the coinsurance and the Medicaid rate-per-visit.

Claims submission deadline
Providers may find it necessary to adjust or resubmit some of the held crossover claims after those claims process in June 2001. If so, prompt provider action is necessary. According to state and federal law, Wisconsin Medicaid must receive claims within 365 days of the date of service, or within 90 days of the date that Medicare processed the claim, whichever is later.

Providers wishing to adjust or resubmit claims within these time frames should use normal claims processing channels. Providers wishing to adjust or resubmit claims that *do not* meet the claims submission timeframes must submit these claims on paper to Late Billing Appeals. Refer to the Claims Submission section of the All-Provider Handbook for more information on Late Billing Appeals.